

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Maldonado and Nakanishi Analyst: John Pavalasky Bill Number: AB 2315

Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: April 15, 2004

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Health Savings Account (HSA) Deduction Conformity

☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as proposed to be amended.

☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

☐ FURTHER AMENDMENTS NECESSARY.

☐ DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS PROPOSED TO BE AMENDED STILL APPLIES.

☒ OTHER - See comments below.

## SUMMARY

This bill would allow the same deduction on California returns for contributions to an HSA as is allowed on the federal return.

## SUMMARY OF AMENDMENTS

The bill as introduced did not fully conform to all of the federal HSA provisions. The department, at the author's request, provided the language that is reflected in the April 15, 2004, amendments to conform fully to all of the federal HSA provisions.

The previous analysis was of the bill as proposed to be amended, and still applies. The POSITION, FISCAL IMPACT, and ECONOMIC IMPACT from the previous analysis are restated for convenience.

## POSITION

Pending.

## FISCAL IMPACT

This bill would not significantly impact the department's costs.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Brian Putler

Date

4/30/04

## **ECONOMIC IMPACT**

### Revenue Estimate

Estimated Revenue Impact for Health Savings Accounts For Taxable Years Beginning After December 31, 2003 (\$ Millions)			
Fiscal Year	2004-05	2005-06	2006-07
Revenue Loss	-25	-21	-23

### Revenue Discussion

Revenue estimates were based on federal projections. That is, the department projected a proportionate impact for California under conformity based on a composite percentage that reflects what we feel would be California's portion of total dollar contributions to these accounts and our marginal tax rates relative to federal tax rates.

## **LEGISLATIVE STAFF CONTACT**

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